

LUTHER KING CAPITAL MANAGEMENT
LKCM SMALL CAP CORE COMPOSITE
Second Quarter, 2026 Update



Performance **	2nd QTR 2026	YTD 2026	One Year	3 Years Annualized	5 Years Annualized	10 Years Annualized	Since Inception Annualized*
LKCM Small Cap Core Composite (gross)	13.0%	11.0%	25.5%	16.9%	6.9%	13.0%	11.5%
LKCM Small Cap Core Composite (net)	12.7%	10.5%	24.2%	15.8%	5.8%	11.8%	10.4%
Russell 2000® Index	21.5%	22.6%	40.8%	18.6%	7.0%	11.6%	9.6%

The Russell 2000® Index, an index composed of small cap, public companies, returned 21.5% during 2Q 2026. Growth was the best performing cohort, as the Russell 2000 Value Index returned 17.2% while Russell 2000 Growth Index returned 25.7%. Russell 2000 Quality Price Index lagged the broader index, returning 18.2%. Information Technology provided strong returns during the quarter, exceeding the index return by ~2.5x. Huge returns from a small subset of names skewed return distribution, as investors rushed back into risk assets. The Russell 2000 Semiconductor Subsector Index returned 91.6%. The Health Care sector was the second-best performing sector for the quarter, similarly, supported by strength in Biotechnology subsector, which further exhibits this momentum in risk assets during the second quarter.

The U.S. economy remains surprisingly resilient despite restrictive monetary policy, elevated geopolitical uncertainty, and inflation that continues to run above the Federal Reserve's target. Real GDP grew at a 2.1% annualized rate in the first quarter, supported by healthy labor markets, strong corporate earnings, and one of the most powerful business investment cycles in decades. Unlike prior expansions driven by housing or consumer borrowing, current growth is increasingly fueled by capital spending on artificial intelligence, automation, manufacturing reshoring, and infrastructure. AI-related investment in equipment, software, and data centers is estimated to have contributed roughly three-quarters of first-quarter GDP growth, creating demand well beyond technology and into industrial, construction, power, and transportation sectors. While inflation pressures persist due to energy costs, tariffs, and infrastructure bottlenecks, these are primarily supply-driven constraints rather than evidence of excessive demand, making Federal Reserve less likely to tighten monetary policy. The near-term economic outlook remains constructive, although higher long-term interest rates and growing federal debt warrant monitoring.

Financial markets continue to be supported by robust earnings expectations, with Russell 2000® Index profits projected to grow approximately 27% in 2026. However, outsized gains have remained principally concentrated in a small group of AI-related companies, reflecting investor confidence that massive AI capital spending will translate into sustained cash flow and productivity gains. Half of the top-10 contributors to the index's returns were unprofitable, reinforcing the beta-driven advance that continues to see quality underperform. Unprofitable companies in the index outperformed profitable companies by 1200bps in the quarter, extending a run experienced over four of the past five quarters. The fundamental backdrop with accelerating earnings reinforced the increase in risk appetite. While AI is likely to transform the economy, the key investment question is whether today's extraordinary earnings and capital investment represent the beginning of a durable secular growth cycle or cyclical peak in profitability. LKCM views the economic backdrop favorably but cautions that some equity valuations already discount a very optimistic future, making it essential for investors to distinguish between companies benefiting solely from a, potentially, temporary surge in AI spending and those capable of generating sustainable long-term returns.

The LKCM Small Cap Core composite returned 12.7% net of fees for the quarter-ended June 30, 2026, as compared to an increase of 21.5% for the Russell 2000® Index. Our underweight positions in both Utilities and Real Estate sectors provided the largest contributions to portfolio relative performance from sector weights. The two weakest contributions to relative performance resulted from Cash & Equivalents (cash drag) and our overweight in Consumer Staples. Overall, our sector exposures detracted from portfolio performance relative to the Russell 2000® Index during the quarter, largely driven by cash drag. Securities selection within the sectors contributed greatest in the Materials and Energy sectors, while the weakest attributions from security selection for the quarter were in Information Technology and Health Care sectors. These two sectors represented most of the negative selection effect during the quarter.

Our investment strategy is to maximize our internal, research-intensive process and to identify competitively advantaged companies that generate strong financial returns with attractive reinvestment opportunities. We strive to purchase these stocks at attractive prices. We believe these companies increase the value of their enterprise which will lead to long-term equity returns for our investors. Our goal is to generate superior returns through market cycles relative to our benchmark by consistently executing our investment strategy and minimizing the risk (volatility) of the portfolio in pursuit of long-term, capital appreciation.

* 10/1/94 –6/30/26

** This presentation is supplemental to the attached GIPS Report. Past performance is not indicative of future results.

LKCM SMALL CAP CORE COMPOSITE

June 30, 2026

CO-MANAGERS: MASON D. KING, CFA
J. LUTHER KING, JR., CFA
MARK L. JOHNSON, CFA

INCEPTION: October 1, 1994

INVESTMENT STRATEGY: Provide superior performance with lower volatility relative to our benchmark with a focus on achieving long-term capital appreciation through long-term investment in competitively-advantaged small-cap companies.

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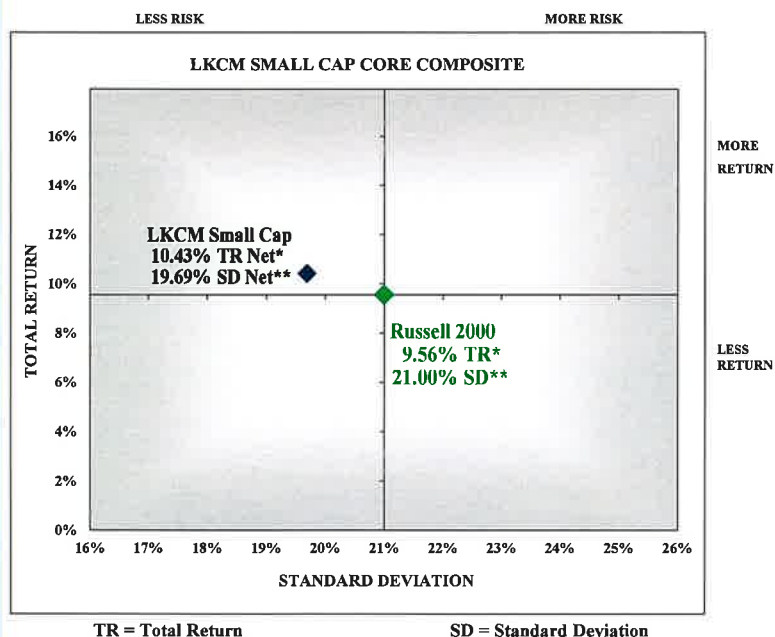
TEN LARGEST HOLDINGS 06/30/26*	
ROGERS CORP	2.8 %
TOWER SEMICONDUCTOR LTD	2.6 %
MATERION CORP	2.3 %
THE VITA COCO COMPANY INC	2.2 %
LUMENTUM HOLDINGS	2.1 %
CIENA CORP	2.1 %
MERCURY SYSTEMS INC	2.0 %
CECO ENVIRONMENTAL CORP	2.0 %
WATTS WATER TECHNOLOGIES INC	2.0 %
ARCHROCK INC	1.9 %
	22.0 %

*The largest ten holdings are at 06/30/26 and may not reflect current holdings.

PORTFOLIO RESULTS	
(Benchmark - Russell 2000) (Since Inception)	
	<u>Net</u>
ALPHA	1.89%
BETA	0.88
R ²	89%
UP CAPTURE	95%
DOWN CAPTURE	88%

PORTFOLIO CHARACTERISTICS	
RETURN ON EQUITY (Median)	15.3%
LONG TERM DEBT TO TOTAL CAPITAL	32%
P/E FWD 4 Quarters (ex Neg-earnings)	19x
WTD AVG. MARKET CAPITALIZATION	\$4,958 Million
TOTAL SMALL-CAP EQUITY COMPOSITE ASSETS	\$ 414 Million
#HOLDINGS	73
PORTFOLIO TURNOVER*	41%
ACTIVE SHARE	95%

*Turnover rate is based on a representative portfolio for a rolling one year period ending 06/30/26



*Total Net Return Since Inception (10/01/94 to 06/30/26) Annualized

**Standard deviation and performance characteristics reporting period (10/01/94 to 06/30/26)

ATTRIBUTION (2Q 2026)				
	Avg. Portfolio Weight	Portfolio Contribution	Avg. Benchmark Weight	Benchmark Contribution
INDUSTRIALS	21.6%	4.0	18.8%	4.4
INFORMATION TECHNOLOGY	14.3%	3.8	16.9%	7.8
HEALTH CARE	12.2%	0.1	16.7%	4.1
FINANCIALS	14.4%	1.0	16.6%	2.9
CONSUMER DISCRETIONARY	9.5%	0.7	8.0%	1.3
ENERGY	6.7%	-0.2	5.9%	-0.7
REAL ESTATE	1.3%	0.0	5.2%	1.0
MATERIALS	4.7%	1.9	4.7%	0.2
UTILITIES	0.0%	0.0	2.8%	0.0
COMMUNICATION SERVICES	2.5%	0.7	2.6%	0.4
CONSUMER STAPLES	5.9%	1.1	1.7%	0.2
CASH & EQUIVALENTS	6.9%	0.1	0.0%	0.0
TOTAL PORTFOLIO	100.0%	13.0%	100.0%	21.5%

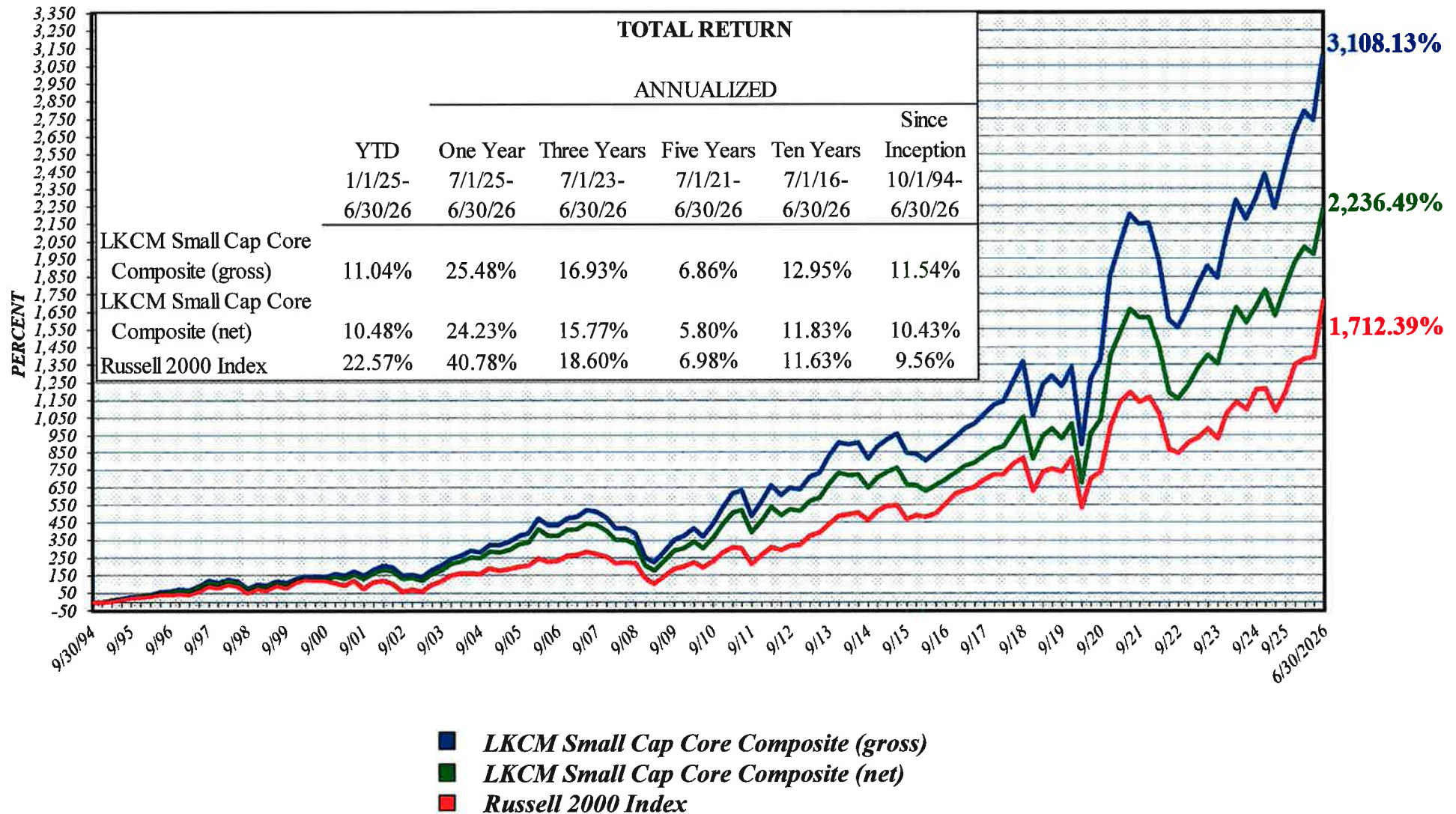
Source: LSEG Data and Analytics. Performance results calculated by Refinitiv may differ significantly from those calculated by LKCM due to differences in methodology for transaction pricing and accounting for capital transactions.

This presentation is supplemental to the attached GIPS Report. Past performance is not indicative of future results.

Sources: LKCM Small Cap Core Composite, Zephyr Informa Financial Intelligence, and LSEG Data and Analytics.

LKCM Small Cap Core Composite

Cumulative Returns Since Inception (10/1/94 – 6/30/26)



*The performance results should be reviewed along with the attached GIPS Report.
Past performance is not indicative of future results. Time periods over one year are annualized.*

LUTHER KING CAPITAL MANAGEMENT
SMALL CAP CORE COMPOSITE
GIPS Report as of June 30, 2026

Year	Total Return		Russell 2000 Index	Small Cap Core Comp Annual Standard Deviation	3-Year Annualized Gross Standard Deviation		Number of Accounts	Small Cap Core Composite Assets (millions)	Total Firm Assets (billions)
	Gross of Fees	Net of Fees			Small Cap Core Comp	Russell 2000 Index			
2026 (1/1 - 6/30)	11.04 %	10.48 %	22.57 %	NA %	NA %	NA %	7	414	30.3
2025	14.07	12.94	12.81	0.4	17.56	19.63	5	366	30.4
2024	16.28	15.13	11.54	0.1	21.46	23.30	6	322	28.8
2023	23.42	22.19	16.93	0.2	20.36	21.11	6	266	26.3
2022	-21.55	-22.32	-20.44	0.2	27.43	26.02	5	201	23.6
2021	15.36	14.21	14.82	0.1	25.15	23.35	5	264	27.0
2020	35.85	34.50	19.96	0.3	27.11	25.27	6	244	21.6
2019	23.81	22.58	25.52	0.7	16.64	15.71	8	220	18.2
2018	-5.05	-6.00	-11.01	N/A	16.01	15.79	7	193	14.5
2017	17.83	16.66	14.65	0.3	13.45	13.91	5	259	15.3
2016	10.32	9.22	21.31	0.2	15.20	15.76	10	421	13.1

	Annualized Returns		
	Total Return Gross of Fees	Net of Fees	Russell 2000 Index
1 year ending 6/30/26	25.48 %	24.23 %	40.78 %
5 years ending 6/30/26	6.86	5.80	6.98
10 years ending 6/30/26	12.95	11.83	11.63

NA – Information is not statistically meaningful due to insufficient number of portfolios in the composite for the entire year and/or the period is a partial year and/or the information is not required.

- Compliance Statement, Verification, and Trademark Information:** Luther King Capital Management (LKCM) is an independent registered investment adviser under the Investment Advisers Act of 1940 and is defined as an independent investment management firm. Luther King Capital Management (LKCM) claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS® standards. LKCM has been independently verified for the periods January 1, 1992 through December 31, 2025. A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. The Small Cap Core Composite has had a performance examination for the periods October 1, 1994 to December 31, 2025. The verification and performance examination reports are available upon request. GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein.
- Composite Description, Benchmark(s), and Risk:** January 1, 2003 is the effective creation date of the Small Cap Core Composite and October 1, 1994 is the inception date of the Small Cap Composite. The Small Cap Core Composite contains all fully discretionary taxable and non-taxable, fee-paying small cap accounts under management, including applicable registered investment companies for which LKCM serves as investment adviser or subadviser. Our small-cap strategy seeks to achieve long-term capital appreciation and investment returns that exceed the applicable benchmark while attempting to manage portfolio risk and volatility. Our small-cap strategy seeks to achieve its investment objective through fundamental analysis of individual companies and seeks high quality companies based on various criteria, such as profitability levels, balance sheet quality, competitive advantages, market share positions, ability to generate excess cash flows, meaningful management ownership stakes, reinvestment opportunities, and relative valuation. The strategy typically purchases securities of companies with market capitalizations between \$0.8 billion and \$7 billion at the initial time of purchase. For comparison purposes, the composite is measured against the Russell 2000

Index, which is a market capitalization weighted index that tracks the performance of 2000 small U.S. traded stocks. Material risks related to the investment strategy include, without limitation, those associated with cybersecurity, equity securities, foreign securities, general market and economic conditions and factors, inflation, investment selection, liquidity, investment management, sector weightings, and small cap companies. For detail on each risk, please see our Form ADV, Part 2A.

- 3) **Dispersion and Fees:** The gross annual standard deviation presented is an asset-weighted calculation of performance dispersion for accounts in the composite for the entire year. In accordance with the SEC Marketing Rule that went into effect November 4, 2022, net of fee returns are calculated by reducing the gross returns by the maximum fee charged to any account in the composite for the respective period. The percent of composite assets that paid zero commissions was 0.88% as of 12/31/25. The current management fee schedule for this composite is as follows: 1.00% on the first \$5,000,000; 0.75% on the next \$5,000,000; 0.50% over \$10,000,000; minimum annual fee \$30,000. Management fees for registered investment companies for which LKCM serves as adviser or subadviser are calculated and paid quarterly in arrears, at annualized rates up to 0.75% of such fund's average daily net assets. The LKCM Small Cap Equity Fund included in this composite has a current management fee schedule of 0.75% and a net expense ratio of 1.00%. In some instances, LKCM voluntarily waives these fees and/or reimburses the applicable fund in order to maintain a designated expense ratio. LKCM may adjust or otherwise negotiate management fees in its discretion and, therefore, clients may have a different fee schedule. For a complete list of our management fees, please see our Form ADV, Part 2A.
- 4) **Additional Information and Availability of Information:** Policies for valuing investments, calculating performance, and preparing GIPS Reports are available upon request. Effective January 2010, the portfolios in this composite stay at or over 80% invested in stocks at all times. Effective January 1, 2005, new accounts are added quarterly when the account is at least 75% invested and fully representative of investment style. Prior to January 1, 2005, accounts were added soon after inception on a quarterly basis and/or when considered fully representative of investment style. A list of all composite and limited distribution pooled fund descriptions and/or a list of broad distribution pooled funds is available upon request. Results are presented before taxes, both gross of management fees (which is net of commissions and other transaction costs) and net of model management fees and includes the reinvestment of all income. The U.S. dollar is the currency used to express performance. Past performance is not indicative of future results.

LUTHER KING CAPITAL MANAGEMENT
SMALL CAP CORE COMPOSITE
PERFORMANCE RESULTS*
OCTOBER 1, 1994 – JUNE 30, 2026

	Total Return		Equity Return		Russell
	Gross of Fees	Net of Fees	Gross of Fees	Net of Fees	2000 Index
Annualized Returns Ending 6/30/26					
1 Year	25.48 %	24.23 %	27.05 %	25.78 %	40.78 %
2 Years	18.82	17.64	19.80	18.61	23.12
3 Years	16.93	15.77	17.79	16.62	18.60
4 Years	17.22	16.06	18.28	17.11	17.00
5 Years	6.86	5.80	7.31	6.25	6.98
6 Years	15.26	14.12	15.91	14.75	14.65
7 Years	12.71	11.59	13.32	12.20	11.34
8 Years	11.39	10.28	11.99	10.88	9.39
9 Years	12.47	11.35	13.09	11.97	10.27
10 Years	12.95	11.83	13.60	12.47	11.63
11 Years	10.62	9.52	11.21	10.10	9.82
12 Years	10.17	9.07	10.74	9.64	9.54
13 Years	10.95	9.85	11.54	10.43	10.56
14 Years	11.41	10.31	12.01	10.90	11.48
15 Years	10.33	9.23	10.87	9.77	10.52
16 Years	12.74	11.62	13.40	12.27	12.04
17 Years	13.29	12.16	13.98	12.84	12.57
18 Years	10.65	9.55	11.15	10.05	10.06
19 Years	9.05	7.97	9.47	8.38	8.49
20 Years	9.36	8.27	9.78	8.69	8.88
21 Years	9.92	8.83	10.36	9.27	9.14
22 Years	10.07	8.98	10.53	9.43	9.16
23 Years	11.17	10.07	11.71	10.60	10.11
24 Years	10.47	9.37	10.94	9.84	9.59
25 Years	10.36	9.27	10.82	9.72	8.80
26 Years	10.38	9.28	10.88	9.77	8.47
27 Years	10.51	9.41	11.06	9.96	8.68
28 Years	10.14	9.04	10.55	9.45	8.42
29 Years	10.27	9.17	10.69	9.59	8.69
30 Years	10.63	9.53	11.07	9.96	8.93
31 Years	11.31	10.20	11.88	10.76	9.39
31 3/4 Years	11.54	10.43	12.14	11.03	9.56

*The results shown above should be reviewed along with LKCM Small Cap Core Composite GIPS Report. If you have not received a copy of the GIPS Report, please contact Luther King Capital Management for a copy. Equity returns are supplemental information to this composite. In accordance with the SEC Marketing Rule that went into effect November 4, 2022, net of fee are calculated by reducing the gross returns by the maximum fee charged to any account in the composite for the respective period. Past performance is not indicative of future results.

GLOSSARY OF TERMS

Alpha represents the excess return of the composite over the expected market return.

Beta measures the risk or volatility of the composite relative to the market as a whole.

R^2 measures the correlation of composite returns to the benchmark.

Up Capture measures the percentage of benchmark performance captured by the composite during up quarters.

Down Capture measures the percentage of benchmark performance captured by the composite during down quarters.

Growth investing is an investment style and investment strategy that is focused on the growth of an investor's capital. Those who follow the growth investing style - growth investors - typically invest in growth stocks or companies whose earnings are expected to grow at an above-average rate compared to its industry or the overall market.

Value investing is an investment strategy where stocks are selected that trade for less than their intrinsic values. Value investors actively seek stocks they believe the market has undervalued. Investors who use this strategy believe the market overreacts to good and bad news, resulting in stock price movements that do not correspond with a company's long-term fundamentals, giving an opportunity to profit when the price is deflated.